

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 	Printed Name		License Number	

**Washington and Bruce Townships
Senior Transportation
thru Advanced Reservation**

Financial Report

March 31, 2006

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

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Plante & Moran, PLLC
Suite 300
19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
Fax: 586.416.4901
plantemoran.com

Independent Auditor's Report

To the Board of Commissioners
Washington and Bruce Townships Senior
Transportation thru Advanced Reservation

We have audited the accompanying basic financial statements of Washington and Bruce Townships Senior Transportation thru Advanced Reservation (the "System") as of March 31, 2006 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Washington and Bruce Townships Senior Transportation thru Advanced Reservation as of March 31, 2006 and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Washington and Bruce Township Senior Transportation thru Advanced Reservation. This information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

June 19, 2006

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Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Management's Discussion and Analysis

Our discussion and analysis of Washington and Bruce Townships Senior Transportation thru Advanced Reservation's (the "System") financial performance provides an overview of its financial activities for the fiscal year ended March 31, 2006. Please read it in conjunction with the System's financial statements.

To remain consistent with the Governmental Accounting Standards Board Statement No. 34, the management's discussion and analysis report includes comparative data from the prior year within the financial sections below.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation (S.T.A.R.) as a Whole

The following table shows, in condensed format, the net assets as of the current date and the statement of activities for the years ended March 31, 2006 and 2005 (amounts in thousands):

TABLE 1	2006	2005
Assets		
Current assets	\$ 1,310	\$ 1,206
Noncurrent assets	33	77
Total assets	1,343	1,283
Current Liabilities	73	66
Net Assets		
Invested in capital assets	33	77
Unrestricted	1,237	1,140
Total net assets	<u>\$ 1,270</u>	<u>\$ 1,217</u>

TABLE 2		
Revenue		
Property taxes	\$ 382	\$ 354
Other	134	112
Total revenue	516	466
Expenses	463	401
Change in Net Assets	<u>\$ 53</u>	<u>\$ 65</u>

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Management's Discussion and Analysis (Continued)

The System's combined net assets increased by approximately 4 percent. This was mainly due to an increase in tax collections. The System collected over \$32,000 than originally budgeted for in the current year. No capital assets were purchased in the current year. Overall, expenditures did increase from the prior year by \$62,000. Correspondingly, revenues increased by \$50,000.

The System's revenue consists of millage from Washington and Bruce Townships, and municipal and community credits, as well as a specialized service grant from SMART, a regional transportation system. Revenue increased due to the raise in tax bases within the townships. The monies received from SMART remained approximately the same from the prior year.

General Fund Budgetary Highlights

Expenditures exceeded the original budget by approximately 9 percent, totaling over \$34,000. This excess is attributed to the increase of drivers' wages, fuel charges, and increased weekend and charter services due to the growth of the System's service. There were also unforeseen incremental increases in expenditures related to administrative support, FICA and MESC, vehicle insurance, training, and miscellaneous expenditures.

Economic Factors and Next Year's Budgets and Rates

The System's management budget for next year calls for additional part-time office staff, two replacement vehicles, and additional carports. The System will work hard to maintain a budget that works for all entities.

Contacting Washington and Bruce Townships Senior Transportation thru Advanced Reservation's Management

This financial report is intended to provide our citizens, customers, and investors with a general overview of the System's finances and show the System's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the System's office.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Governmental Fund Balance Sheet - Statement of Net Assets March 31, 2006

	Balance Sheet - Modified Accrual	Adjustments (Note 2)	Statement of Net Assets - Full Accrual
Assets			
Cash and investments (Note 3)	\$ 1,288,589	\$ -	\$ 1,288,589
Due from other governmental units	20,745	-	20,745
Taxes receivable (Note 1)	403	-	403
Capital assets - Depreciated (Note 4)	-	33,487	33,487
Total assets	<u><u>\$ 1,309,737</u></u>	33,487	1,343,224
Liabilities and Fund Balance			
Liabilities			
Accounts payable	\$ 5,226	-	5,226
Due to other governmental units	60,716	-	60,716
Employee compensated absences (Note 1)	-	7,084	7,084
Total liabilities	65,942	7,084	<u>73,026</u>
Fund Balance - Unreserved and undesignated	<u>1,243,795</u>	<u>(1,243,795)</u>	-
Total liabilities and fund balance	<u><u>\$ 1,309,737</u></u>		
Net Assets			
Invested in capital assets		33,487	33,487
Unrestricted		<u>1,236,711</u>	<u>1,236,711</u>
Total net assets		<u><u>\$ -</u></u>	<u><u>\$ 1,270,198</u></u>

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities Year Ended March 31, 2006

	Revenues and Expenditures - Modified Accrual	Adjustments (Note 2)	Statement of Activities - Full Accrual
Revenue			
Taxes	\$ 381,568	\$ -	\$ 381,568
Intergovernmental - Shared revenue	91,645	-	91,645
Interest	33,775	-	33,775
Donations	235	-	235
Weekend service	5,482	-	5,482
Miscellaneous	3,411	-	3,411
Total revenue	516,116	-	516,116
Expenditures			
Personnel:			
Drivers	140,912	-	140,912
Weekend drivers	2,306	-	2,306
Coordinator	39,869	-	39,869
Director	17,026	-	17,026
Accounting service	7,043	-	7,043
Administrative support	26,668	1,161	27,829
FICA	18,947	-	18,947
Health insurance	6,852	-	6,852
Life insurance	653	-	653
Longevity	1,500	-	1,500
MESC	2,796	-	2,796
Retirement	9,135	-	9,135
Uniforms	2,473	-	2,473
Total personnel	276,180	1,161	277,341
Vehicles:			
Cleaning	958	-	958
Gasoline	27,645	-	27,645
Insurance	18,733	-	18,733
Maintenance and repairs	22,037	-	22,037
Miscellaneous	946	-	946
Weekend and charter service	32,339	-	32,339
Total vehicles	102,658	-	102,658

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities (Continued) Year Ended March 31, 2006

	Revenues and Expenditures - Modified Accrual	Adjustments (Note 2)	Statement of Activities - Full Accrual
Expenditures (Continued)			
General and administrative:			
Audit	\$ 4,600	\$ -	\$ 4,600
Disability insurance	664	-	664
Capital outlay	6,903	(6,903)	-
Radio repair	404	-	404
Miscellaneous	1,537	-	1,537
Office supplies	2,402	-	2,402
Publishing	264	-	264
Depreciation	-	50,743	50,743
Telephone	3,416	-	3,416
Utilities	8,000	-	8,000
Training	4,506	-	4,506
Workers' compensation	6,560	-	6,560
Total general and administrative	39,256	43,840	83,096
Total expenditures	418,094	45,001	463,095
Change in Fund Balance/Net Assets	98,022	(45,001)	53,021
Fund Balance/Net Assets			
Beginning of year	1,145,773	71,404	1,217,177
End of year	<u>\$ 1,243,795</u>	<u>\$ 26,403</u>	<u>\$ 1,270,198</u>

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2006**

Note I - Summary of Significant Accounting Policies

The accounting policies of the Washington and Bruce Townships Senior Transportation thru Advanced Reservation (the "System") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies used by the System.

Reporting Entity

The System was organized December 29, 1981 by a joint resolution between Washington and Bruce Townships. The System was organized to provide transportation services to residents of the two townships who are 60 years of age or older. The System is governed by a two-member board with one representative each from Bruce and Washington Townships and one alternate member from each township. The System is not considered to be a component unit of the Townships of Bruce or Washington.

The accompanying basic financial statements have been prepared in accordance with criteria established by the Government Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on these criteria, there are no component units of the System that are to be included in the reporting entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The System's basic financial statements include both the System's full accrual financial statements and modified accrual financial statements.

Full Accrual Financial Statements

The full accrual financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, charges for services, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statement of net assets includes and recognizes all long-term assets and liabilities.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2006**

Note 1 - Summary of Significant Accounting Policies (Continued)

Modified Accrual Financial Statements

The modified accrual financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Interest earned on investments is recorded on the accrual basis.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in the government-wide statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The System has elected not to follow private sector standards issued after November 30, 1989 for its full accrual presentation.

Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments - Investments are recorded at fair value, based on quoted market prices.

Property Taxes - Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. Property taxes levied on December 1, 2005 are recorded as revenue for the year ended March 31, 2006.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Notes to Financial Statements
March 31, 2006

Note I - Summary of Significant Accounting Policies (Continued)

The System receives property taxes levied by the member townships of Washington and Bruce. The 2005 taxable value of all the property subject to the System's millage is \$1,060 million and \$480 million for Washington Township and Bruce Township, respectively, on which taxes levied consisted of total mills of .2500 for each township, of which all were for operating purposes. This resulted in approximately \$380,000 for operations. This amount is recognized as tax revenue.

Capital Assets - Capital assets, which include equipment and vehicles, are reported in the statement of net assets. Capital assets are defined by the Washington and Bruce Townships Senior Transportation thru Advanced Reservation as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Equipment	5 years
Vehicles	5 years
Land improvements	15 years

Compensated Absences - It is the System's policy to permit full-time employees to accumulate earned but unused sick, vacation, and personal day benefits. All compensated absence pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Other accounting policies are disclosed in other notes to the financial statements.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2006**

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

Total fund balance and the net change in fund balance of the Washington and Bruce Townships Senior Transportation thru Advanced Reservation's modified accrual reporting differs from net assets and change in net assets of the full accrual reporting in the statement of net assets and the statement of activities. This difference results primarily from the long-term economic focus of the full accrual reporting versus the current economic focus of modified accrual reporting. The following are reconciliations of fund balance (modified accrual basis) to net assets (full accrual basis) and the net change in fund balance to the net change in net assets:

Total Fund Balance - Modified Accrual Basis	\$ 1,243,795
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Amounts reported in the statement of net assets are different because:

Capital assets are not financial resources and are not reported in the fund	33,487
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Long-term liabilities are not due and payable in the current period and are not reported in the fund	<u>(7,084)</u>
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Total Net Assets - Full Accrual Basis	<u>\$ 1,270,198</u>
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Net Change in Fund Balance - Modified Accrual Basis	\$ 98,022
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Amounts reported in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as depreciation	6,903
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Depreciation is recorded as an expense in the statement of activities but not in the governmental funds	(50,743)
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The change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	<u>(1,161)</u>
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Change in Net Assets of Governmental Activities - Full Accrual Basis	<u>\$ 53,021</u>
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Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2006**

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The System has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above. The System's deposits and investment policies are in accordance with statutory authority.

The System's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the System had no bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized.

Credit Risk

State law limits investments in commercial paper to the top three ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Sweep account	\$ 1,288,286	N/A	Unrated

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Notes to Financial Statements March 31, 2006

Note 4 - Capital Assets

A summary of capital assets is as follows:

	Balance - April 1, 2005	Additions	Deletions	Balance - March 31, 2006
Governmental Activities				
Capital assets being depreciated:				
Equipment	\$ 5,352	\$ -	\$ -	\$ 5,352
Land improvements	-	6,903	-	6,903
Vehicles	246,063	-	-	246,063
Subtotal	251,415	6,903	-	258,318
Accumulated depreciation:				
Equipment	3,704	1,070	-	4,774
Land improvements	-	460	-	460
Vehicles	170,384	49,213	-	219,597
Subtotal	174,088	50,743	-	224,831
Net capital assets	<u>\$ 77,327</u>	<u>\$ (43,840)</u>	<u>\$ -</u>	<u>\$ 33,487</u>

Note 5 - Budget Information

The annual budget is prepared by the System and adopted by Washington and Bruce Townships; subsequent amendments are approved by the boards of the above entities. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2006 has not been determined. During the current year, the budget was amended in a legally permissible manner. The budget is prepared in accordance with accounting principles generally accepted in the United States of America.

The budget is adopted on a line-item basis. Expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the budget as adopted is included in the basic financial statements. This comparison included expenditure budget overruns.

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

**Notes to Financial Statements
March 31, 2006**

Note 5 - Budget Information (Continued)

Excess of Expenditures Over Appropriations - During the year, the System incurred expenditures that were in excess of the amounts budgeted, as follows:

	Amended Budget	Actual
General Fund:		
Personnel - Drivers	\$ 111,210	\$ 140,912
Personnel - FICA	16,000	18,947
Vehicles - Gasoline	17,000	27,645
Vehicles - Weekend and charter service	19,600	32,339

The unfavorable variances were caused by unanticipated expenditures that became necessary during the year.

Note 6 - Defined Contribution Retirement Plan

The System provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by board resolution, the System contributes 15 percent of employees' base salaries. In accordance with these requirements, the System contributed \$9,135 during the current year.

Note 7 - Risk Management

The System is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The System has purchased commercial insurance for medical claims and workers' compensation, and participates in the Michigan Municipal League Plan risk pool for claims relating to property loss, torts, and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Note 8 - Related Parties

The System conducts its operations in facilities owned by a local unit of government. The cost of the building space is donated to the System. The monetary value of this in-kind service has not been determined.

Required Supplemental Information

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget - Favorable (Unfavorable)
Revenue				
Taxes	\$ 348,896	\$ 348,896	\$ 381,568	\$ 32,672
Intergovernmental - Shared revenue	77,000	77,000	91,645	14,645
Interest	7,000	7,000	33,775	26,775
Donations	-	-	235	235
Weekend service	3,800	3,800	5,482	1,682
Miscellaneous	3,000	3,000	3,411	411
Total revenue	439,696	439,696	516,116	76,420
Expenditures				
Personnel:				
Drivers	111,210	111,210	140,912	(29,702)
Weekend drivers	2,100	2,100	2,306	(206)
Coordinator	39,709	39,709	39,869	(160)
Director	16,982	16,982	17,026	(44)
Accounting service	7,053	7,053	7,043	10
Administrative support	24,720	24,720	26,668	(1,948)
FICA	16,000	16,000	18,947	(2,947)
Health insurance	10,000	10,000	6,852	3,148
Life insurance	1,100	1,100	653	447
Longevity	1,500	1,500	1,500	-
MESC	2,300	2,300	2,796	(496)
Retirement	9,562	9,562	9,135	427
Uniforms	2,500	2,500	2,473	27
Total personnel	244,736	244,736	276,180	(31,444)
Vehicles:				
Cleaning	1,000	1,000	958	42
Gasoline	17,000	17,000	27,645	(10,645)
Insurance	18,000	18,000	18,733	(733)
Maintenance and repairs	22,000	22,000	22,037	(37)
Miscellaneous	400	400	946	(546)
Weekend and charter service	19,600	19,600	32,339	(12,739)
Total vehicles	78,000	78,000	102,658	(24,658)

Washington and Bruce Townships Senior Transportation thru Advanced Reservation

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget - Favorable (Unfavorable)
Expenditures (Continued)				
General and administrative:				
Audit	\$ 2,400	\$ 2,400	\$ 4,600	\$ (2,200)
Disability insurance	800	800	664	136
Capital outlay	19,000	19,000	6,903	12,097
Radio repair	500	500	404	96
Miscellaneous	2,000	2,000	1,537	463
Office supplies	2,500	2,500	2,402	98
Publishing and postage	700	700	264	436
Service contracts	1,270	1,270	-	1,270
Telephone	7,000	7,000	3,416	3,584
Utilities	8,000	8,000	8,000	-
Training	3,000	3,000	4,506	(1,506)
Administrative benefits	5,000	5,000	-	5,000
Workers' compensation	8,500	8,500	6,560	1,940
Total general and administrative	60,670	60,670	39,256	21,414
Total expenditures	383,406	383,406	418,094	(34,688)
Change in Fund Balance - Net assets	56,290	56,290	98,022	41,732
Fund Balance/Net Assets				
Beginning of year	1,145,773	1,145,773	1,145,773	-
End of year	<u>\$ 1,202,063</u>	<u>\$ 1,202,063</u>	<u>\$ 1,243,795</u>	<u>\$ 41,732</u>



Plante & Moran, PLLC
Suite 300
19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
Fax: 586.416.4901
plantemoran.com

June 19, 2006

To the Board of Commissioners
Washington and Bruce Townships Senior
Transportation thru Advanced Reservation
361 Morton Street
Romeo, MI 48065

Dear Commissioners:

We have recently completed our audit of the financial statements of Washington and Bruce Townships Senior Transportation thru Advanced Reservation ("S.T.A.R.") for the year ended March 31, 2006. As a result of our audit, and in addition to our financial report, we offer the following comments for the Commission's review:

INVESTMENT VEHICLES

The efforts that STAR has made to maximize interest earnings on idle cash have been beneficial. In addition to the sweep account investments that you have used, we would like to familiarize you with alternative methods that you may consider for your future investments.

We noted during the course of our audit that S.T.A.R.'s investments currently consist solely of a sweep account. The Commission should consider investing in other investment instruments allowable, as defined by state regulations, which earn more attractive rates of return while maintaining approximately the same degree of investment risk. Because of S.T.A.R.'s excellent cash position, the Commission should consider investments, such as certificates of deposit, with longer maturities that could increase investment yields.

We encourage the Commission to explore investment opportunities available to governmental entities to see if investment earnings can be increased while maintaining an acceptable level of risk.

OFFICE TECHNOLOGY

Currently, S.T.A.R.'s accounting records are manually prepared and all books are kept in paper ledgers. It has come to our attention that the Commission is considering converting to an electronic record keeping system. We encourage the Commission to follow through with the conversion as electronic systems can lead to more accurate reporting. We would be happy to discuss this process with you further.

We would like to express our thanks and appreciation for the courtesy and cooperation extended to us by S.T.A.R.'s staff during the audit. We appreciate the opportunity to present these recommendations for your consideration and will be pleased to discuss them further at your convenience.

Yours truly,

PLANTE & MORAN, PLLC

Mark Hurst

Pamela Jadach



A worldwide association of independent accounting firms